

Product
Technology
&
Standardization
Division

Alternative Fuels Information Station

Synthetic Fuels Tutorial

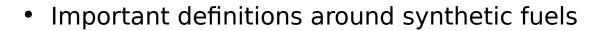


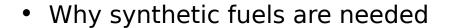


Learning Objectives



You should learn....







- U.S. demand for petroleum products
- Basic properties of synthetic fuel products











DEFINITIONS



SYNTHETIC FUEL DEFINITIONS



WHAT IS SYNTHETIC CRUDE?



Definitions of Synthetic Fuel



Synthetic Crude

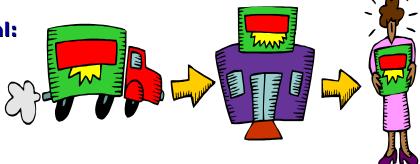
Any crude oil NOT produced from conventional petroleum crude

Synthetic Fuels

A generic name given to hydrocarbon fuels produced from natural gas, coal, or biomass.



Coal Biomass Natural gas





Why are Synthetic Fuels Needed?



Reasons for continued production and improvement of synthetic fuels

World has a finite supply of conventional crude oil

U.S. demand for crude oil is steadily increasing

National Security and energy independence

Synthetic Fuels help reduce U.S. dependency on foreign oil







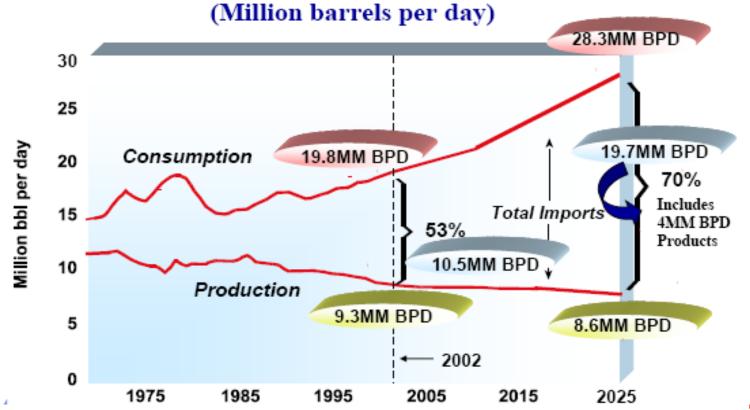




Crude Oil Consumption



U.S. Production, Consumption, and Total Imports of Petroleum, 1970-2025



Source: EIA (AEO 2004): Reference Case Scenario





Synthetic Crude Processes



Synthetic Crude sources include:

1. Natural Gas to Liquids



- 2. Coal Gasification: Producing synthetic natural gas from Coal
- 3. Coal Liquefaction: Conversion of coal to liquid for use as a synthetic fuel



4. Shale Oil: Extracted hydrocarbon known as Kerogen from shale (large shale formations Exist in Colorado, Utah, and Wyoming)



5. Tar Sands: Extraction of very heavy, asphalt "like" crude oil called Bitumen from grains of sand, or, in some cases, porous carbonate rocks. The U.S. has some tar sands mainly in Utah. The largest deposit are in Canada.





Refining Synthetic Crudes



Fisher-Tropsch Process

Fisher-Tropsch (FT) is an emerging technology for Converting synthetic crude to synthetic fuels.

Brief History

- Developed by Germany during World War II to make gasoline from coal.
- > Developed out of necessity from a lack of available crude oil.
- Modernized in South Africa by SASOL Corporation.

What is FT?

Converts coal, natural gas, and low-value refinery products into high value, clean burning fuel!

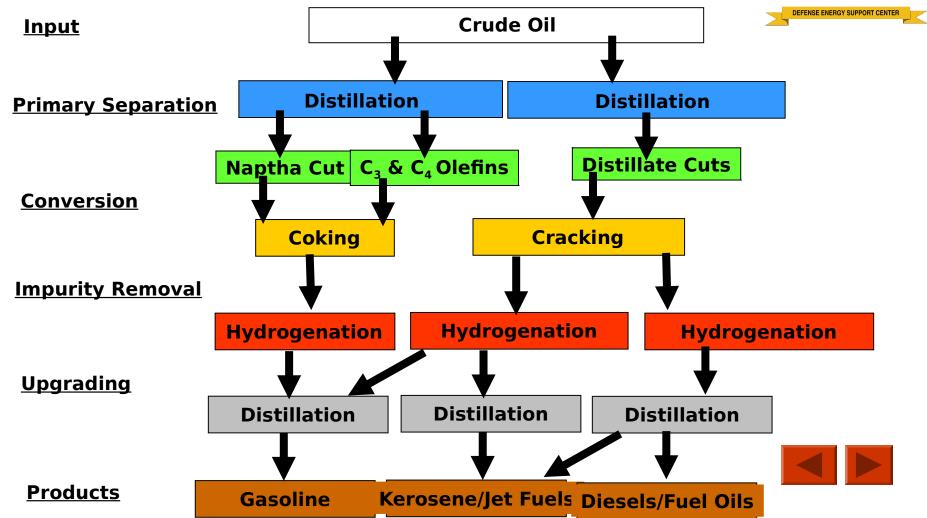
FT offers important emissions benefits compared to conventional fuel.





Conventional Petroleum Crude Oil Processing

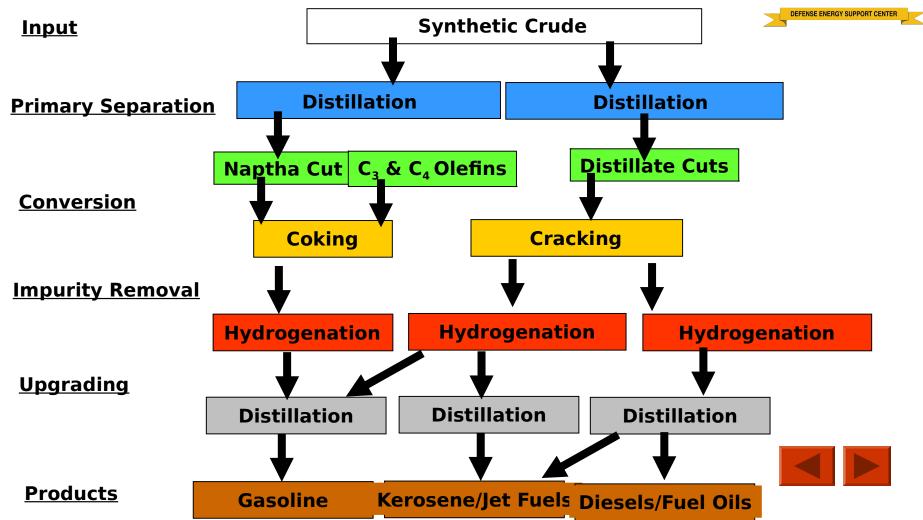






Synthetic Crude Oil Processing







Major Producers of Fisher-Tropsch Fuels



South Africa's Sasol is the largest producer

Other projects include:

BP (Nikiski, AK) Conoco-Phillips (Ponca City, OK) Syntrleum (Tulsa, OK)

There are other oil companies developing large scale production Operations using Fisher-Tropsch technology!





SYNTHETIC FUEL



SYNTHETIC FUEL FROM BIOMASS



Synthetic Fuels from Biomass Processing



Synthetic fuels can be created from "Biomass"

Biomass can be any plant derived organic matter, available on a renewable basis including:

- Dedicated energy crops and trees
- Agricultural food and feed crops
- Agricultural crop wastes
- Wood wastes and residues
- Aquatic Plants
- Animal wastes
- Municipal wastes and other waste materials







Biomass Resources in the United States



- Abundant, natural and renewable resource
- Supplements fossil energy supply
- Helps create energy security and independence
- Can be used to produce fuels, power, and many chemicals







Biomass Usage



- Leading source of renewable energy in U.S. 1999-2003
- Provides fuel, heat, electricity chemicals and other products
- Agricultural and forestry residues most common resource for generating electricity and process steam
- Increases use of crops for biodiesel and ethanol



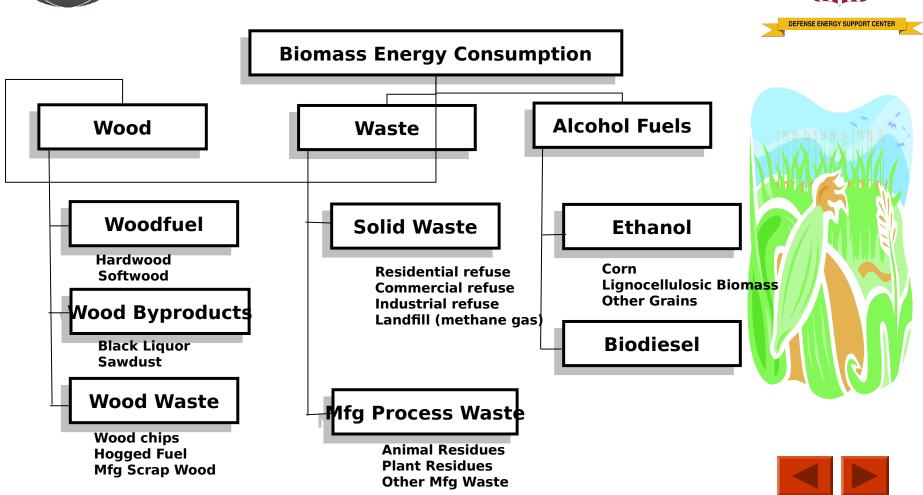


Source: www.eere.energy.gov/biomass



Biomass Resource Hierarchy





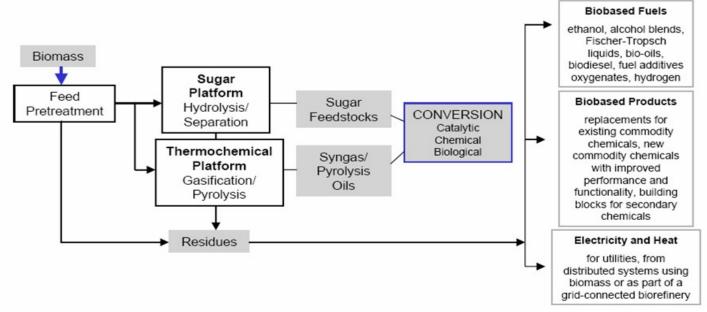
ource: Energy Information Administration, Office of Coal, Nuclear, Electric and Alternative Fuels



Biomass Platforms







Biomass Platforms for producing fuels



Source: Office of the Biomass Program-Multiyear Plan 2004 and Beyond, Nov. 2003



Synthetic Fuels in the Transportation Sector



SYNTHETIC FUELS IN THE TRANSPORTATION SECTOR



WHAT ARE TRANSPORTATION FUELS?



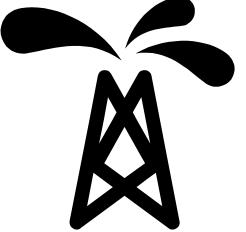
Transportation Fuels



Transportation fuels are refined from conventional petroleum (hydro-carbon based) crude oils.

They include:

- Jet Fuels
- Diesel Fuels
- Gasolines
- Marine Fuels



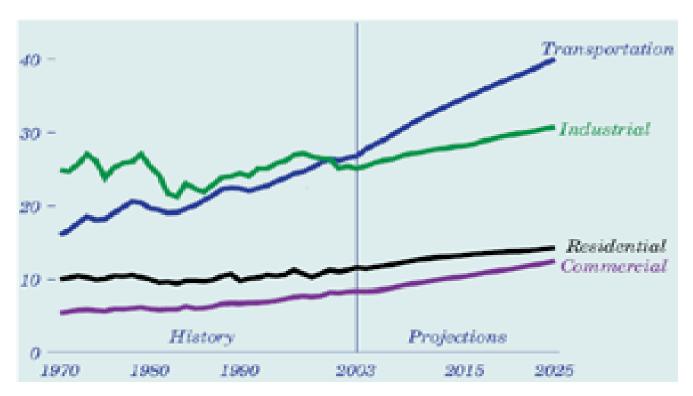




TRANSPORTATION FUEL USAGE



Delivered Energy Consumption By Sector (in Quadrillion BTUs)



Note: 1 Quad= 1X10¹⁵ BTU

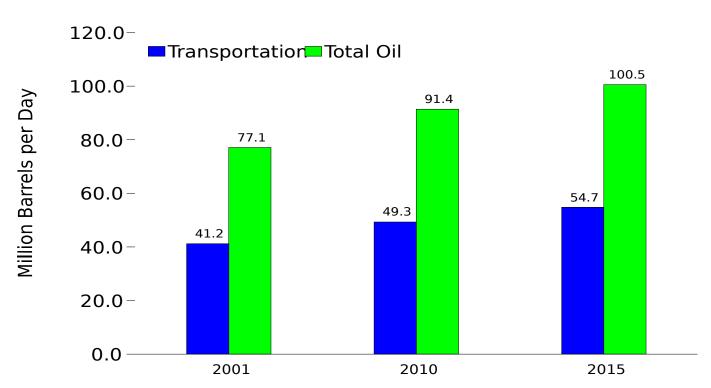




TRANSPORTATION FUEL USAGE



Transportation Fuel Usage vs. Total Fuel Oil Consumption





Source: EIA, International Energy Outlook 2004



Synthetic Fuel as a Transportation Fuel



Synthetic crude oil can typically be:

- ✓ Refined using conventional petroleum processes.
- ✓ Used with the existing distribution infrastructure
- Used in conventional vehicles (diesel/gasoline/kerosene-jet fuel)











Transportation Fuel Specifications



TRANSPORTATION FUEL SPECIFICATIONS



Specification Provisions



Synthetic Aviation Fuels:

Required to meet Standard Specification for Aviation Fuels- ASTM-D-1655 and Defense Standard 91/91/Issue 4, 14 June 2002



Only SASOL Corporation's semi-synthetic fuel blend of conventional kerosene and synthetic kerosene meets this requirement thus far!



Defense Standard 91/91-Issue 4, stipulates, "the use of blends represents a departure from experience....." therefore, "an interim solution ...to approve fuels containing synthetics component on an individual basis" is actively performed.



Specification Provisions



Synthetic Aviation Fuels (Con't):

JP-8 MIL-DTL-83133E

JP-5 MIL-DTL-5624U



Allow for certain synthetic crudes: "crude oil derived from petroleum, tar sands, oil shale or mixtures thereof.."

Section 3.1 Materials, MIL-DTL-5624U

Synthetic Diesel Fuels:

ASTM-D-975

Hydrocarbon source not specified for diesel fuels





Key Advantages of Synthetic Fuels





- ✓ Can use existing infrastructure
- ✓ No sulfur (exceeds EPA 2006 regulations)
- ✓ Lower engine exhaust emissions
- ✓ Less toxic- no aromatics, bio-degradeable, no hetero-atoms
- **✓** Abundant reserves domestically
- Excellent low temperature properties
- ✓ Strong long term storage stability





Present Limitations of Synthetic Fuels



- **X** Low lubricity for Diesel Fuels
- **X** Low lubricity for Jet Fuels
- X Material compatibility issues in Jet Fuels(e.g. zero aromatics and the effects on seals)

All issues are solvable:



Material compatibility can be remedied by the use of blends initia

•Further development can force progress to full synthetic.









Summary



You should now understand....

- Important definitions around synthetic fuels
- Why synthetic fuels are needed
- Some detail on the promising methods of producing synthetic fuels
- U.S. demand for petroleum products
- Basic properties of synthetic fuel products



